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September 8, 2010

Arizona Corporation Commission  
Docket Control  
Phoenix, AZ

**RE: DISSENT**  
**GRANITE MOUNTAIN WATER COMPANY**  
**W-02467A-09-0333 AND W-02467A-09-0334**

I am entering into the docket this letter explaining my No vote on August 24 on the Granite Mountain Water Company rates/finance application.

In reading the Recommended Order and Opinion and listening to the testimony at the Open Meeting, the Company's lack of adherence to previous Commission orders and the gifting of water disturbed me.

I normally have given small water companies the benefit of the doubt as they navigate the Commission's process, understanding that at times these small water companies may lack technical and legal staff. However, I believe the record in this case showed that this was not the case and the company for whatever reason repeatedly ignored previous Commission orders that specified that the company seek Commission approval before entering into any finance agreements.

My other concern is that during the test year 329,610 gallons of water were given away. While I understand some adjustments were made to compensate for the lost revenue, it is unfair for the ratepayers to receive a rate increase while others have had free water for a number of years.

I know that the recommended order and opinion that was approved includes provisions requiring strict compliance with Commission Rules. However, given the company's past behavior I am not confident Granite Mountain will comply. It is for these reasons I voted No.

Sandra D. Kennedy  
Corporation Commissioner  
Granite Mountain Water Company  
W-02467A-09-0333 and W-02467A-09-0334